

CARROLL BURDICK

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October 2, 2014

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VIA E-MAIL AND U.S. MAIL

Jennifer Schembri
Deputy Director Employee Relations
Office of the City Manager, City of San Jose
200 E Santa Clara St
San Jose, CA 95113
E-Mail: Jennifer.schembri@sanjoseca.gov

Re: 2014 Charter Section 1111 Cap
File No.: 034862

Dear Jennifer:

As you will recall, Charter section 1111 provides a cap on wage increases for employees represented by the POA if interest arbitration is invoked, as follows:

Charter section 1111

(g) Additionally, the Board of Arbitrators shall not render a decision, or issue an award, that:

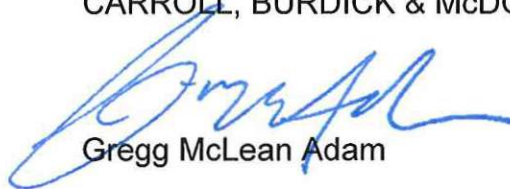
- (1) increases the projected cost of compensation for the bargaining units at a rate that exceeds the rate of increase in revenues from the sales tax, property tax, utility tax and telephone tax averaged over the prior five fiscal years;

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Please provide me with the appropriate calculation that would apply should the POA exercise its section 1111 rights this year (i.e., 2014).

Very truly yours,

CARROLL, BURDICK & McDONOUGH LLP



Gregg McLean Adam

GMA:jo

cc: Jim Unland, President, San Jose POA
John Robb, Vice President, San Jose POA
Franco Vado, Chief Financial Officer, San Jose POA